

Office of the
Consumers' Counsel

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77 South High Street, 15th Floor
Columbus, Ohio 43266-0550

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November 22, 1993

FCC - MAIL ROOM

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Docket No. RM 8354

Dear Mr. Caton:

Enclosed please find an original and nine (9) copies of The Office of the Consumers' Counsel, State of Ohio, Reply Comments for filing with the Commission in the above-referenced proceeding.

Please indicate your receipt of this filing on the additional copy provided and return to the undersigned in the enclosed self-addressed, postage prepaid, envelope. Thank you.

Sincerely,

David C. Bergmann
Associate Consumers' Counsel

DCB/pjm

Enclosures

cc: Parties of Record

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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(NOV 23 1977)

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In the Matter of:)
Revision of the Commission's)
Part 64 Requirements for the) **RM 8354**
Filing of Cost Allocation Manuals)
be Certain Local Exchange Carriers)

**REPLY COMMENTS
OF
THE OFFICE OF THE CONSUMERS' COUNSEL,
STATE OF OHIO**

1. STATEMENT OF INTEREST: The Office of the Consumers' Counsel, State of Ohio (OCCO) was created by the Ohio Legislature in 1976 to represent the interests of Ohio's residential customers. OCCO has participated in numerous proceedings at this Commission and at the Public Utilities Commission of Ohio (PUCO) on behalf of Ohio's residential telephone customers.

In particular, OCCO represents the more than 500,000 residential customers of the Cincinnati Bell Telephone Company (CBT). CBT is one of the local exchange companies which, under the United States Telephone Association (USTA) petition at issue here, would no longer be required to annually file a cost allocation manual (CAM) with this Commission.

2. **STATEMENT OF POSITION:** OCCO wholeheartedly supports the Comments of the PUCO submitted in this proceeding on November 5, 1993. OCCO, along with the PUCO, opposes the USTA petition. OCCO particularly endorses PUCO's arguments that 1) the burden on LECs the size of CBT of preparing and filing CAMs is not unreasonable compared to the value of the information which the CAM provides to regulators and customers; 2) the unprecedented technological and corporate structural changes in the telecommunications industry require effective accounting safeguards (such as the CAMs and the annual independent audits thereof); and 3) it is unreasonable to shift onto regulators the burden of validating the apportionment of costs between regulated and nonregulated activities.

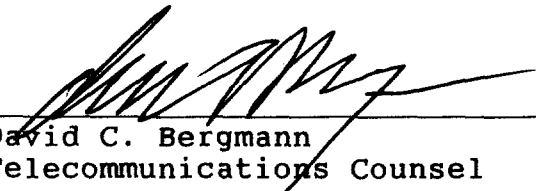
From the monopoly ratepayers' perspective, we expect federal and state regulators to be able to validate such matters, and to ensure that there is no subsidization of unregulated and/or competitive activities from the rates we pay. It is not at all too much to ask for a company the size of CBT to file reports as to these activities, or to have the reports audited. In this regard, OCCO submits that a company like CBT, with more than half-a-million residential customers and more than half-a-billion dollars in annual revenues, is much more akin to the largest of the Bell Operating Companies than it is to the smallest local exchange companies in Ohio, which may have a few hundred thousand dollars in revenues and a few hundred customers. This is especially true with regard to

opportunities to engage in unregulated activities and incentives to subsidize those activities from monopoly operations.

The USTA Petition should be denied.

Respectfully submitted,

BARRY COHEN
INTERIM CONSUMERS' COUNSEL



David C. Bergmann
Telecommunications Counsel

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